

AMENDED IN SENATE MAY 21, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

## ASSEMBLY BILL

**No. 664**

**Introduced by Assembly Member Dutra**

February 22, 2001

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An act to amend Section ~~17627 of the Financial Code, relating to~~  
~~escrows~~, 25205.6 of the Health and Safety Code, relating to hazardous  
materials.

### LEGISLATIVE COUNSEL'S DIGEST

AB 664, as amended, Dutra. ~~Escrows~~ *Hazardous materials  
handling charge: nonprofit corporations.*

*Existing law requires corporations that use, generate, store, or  
conduct activities in this state related to hazardous materials to pay an  
annual charge, based upon a schedule of standard Industrial  
Classification Codes provided by the Department of Toxic Substances  
Control to the State Board of Equalization. Existing law specifies a  
schedule for the fee, based upon the number of employees employed by  
a corporation, but excludes, from this charge, a nonprofit corporation  
primarily engaged in the provision of residential social and personal  
care for children, the aged, and special categories of persons. Under  
existing law, specified funds, including this charge imposed on  
corporations handling hazardous materials, are deposited in the Toxic  
Substances Control Account in the General Fund, and the funds  
deposited in the Toxic Substances Control Account are available for  
appropriation to the Department of Toxic Substances Control for*

*specified purposes relating to the cleanup of hazardous substance release sites.*

*This bill would additionally exclude, from the charge, a nonprofit corporation primarily engaged as a religious organization operated for worship, religious training or study, the government or administration of an organized religion, or for the promotion of religious activities, except as specified.*

~~Existing law authorizes the Commissioner of Corporations to issue subpoenas and require the attendance of parties for examination concerning matters involving escrow agents.~~

~~This bill would correct a reference with respect to those subpoena powers.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 17627 of the Financial Code is amended~~  
2     ~~to read:~~

3     ~~17627. The commissioner may issue subpoenas and require~~  
4     ~~the attendance of parties for examination under this article as~~  
5     ~~provided for in Chapter 5 (commencing with Section 17610).~~

6     ~~SECTION 1. Section 25205.6 of the Health and Safety Code~~  
7     ~~is amended to read:~~

8     25205.6. (a) On or before November 1 of each year, the  
9     department shall provide the board with a schedule of codes, that  
10    consists of the types of corporations that use, generate, store, or  
11    conduct activities in this state related to hazardous materials, as  
12    defined in ~~subdivision (k)~~ of Section 25501, including, but not  
13    limited to, hazardous waste. The schedule shall consist of  
14    identification codes from one of the following classification  
15    systems, as deemed suitable by the department:

16    (1) The Standard Industrial Classification (SIC) system  
17    established by the United States Department of Commerce.

18    (2) The North American Industry Classification System  
19    (NAICS) adopted by the United States Census Bureau.

20    (b) Each corporation of a type identified in the schedule  
21    adopted pursuant to subdivision (a) shall pay an annual fee, which  
22    shall be set at two hundred dollars (\$200) for those corporations  
23    with 50 or more employees, but less than 75 employees, three

hundred fifty dollars (\$350) for those corporations with 75 or more employees, but less than 100 employees, seven hundred dollars (\$700) for those corporations with 100 or more employees, but less than 250 employees, one thousand five hundred dollars (\$1,500) for those corporations with 250 or more employees, but less than 500 employees, two thousand eight hundred dollars (\$2,800) for those corporations with 500 or more employees, but less than 1,000 employees, and nine thousand five hundred dollars (\$9,500) for those corporations with 1,000 or more employees.

(c) The fee imposed pursuant to this section shall be paid by each corporation that is identified in the schedule adopted pursuant to subdivision (a) in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code and shall be deposited in the Toxic Substances Control Account. The revenues shall be available, upon appropriation by the Legislature, for the purposes specified in subdivision (b) of Section 25173.6.

(d) For purposes of this section, the number of employees employed by a corporation is the number of persons employed in this state for more than 500 hours during the calendar year preceding the calendar year in which the fee is due.

(e) The fee rates specified in subdivision (b) are the rates for the 1998 calendar year. Beginning with the 1999 calendar year, and for each calendar year thereafter, the board shall adjust the rates annually to reflect increases or decreases in the cost of living during the prior fiscal year, as measured by the Consumer Price Index issued by the Department of Industrial Relations or by a successor agency.

(f) Pursuant to paragraph (3) of subsection (c) of Section 104 of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec. ~~9404(c)(3)~~ 9604(c)(3)), the state is obligated, ~~as authorized by paragraph (2) of subdivision (a) of Section 25351,~~ to pay specified costs of removal and remedial actions carried out pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601 et seq.). The fee rates specified in subdivision (b) are intended to provide sufficient revenues to fund the purposes of subdivision (b) of Section 25173.6, including appropriations in any given fiscal year of three million three hundred thousand

1 dollars (\$3,300,000) to fund the state's obligation pursuant to  
2 paragraph (3) of subsection (c) of Section 104 of the federal  
3 Comprehensive Environmental Response, Compensation, and  
4 Liability Act of 1980, as amended (42 U.S.C. Sec. ~~9404(e)(3))~~  
5 ~~9604(c)(3))~~). If the department determines that the state's  
6 obligation under paragraph (3) of subsection (c) of Section 104 of  
7 the federal Comprehensive Environmental Response,  
8 Compensation, and Liability Act of 1980, as amended (42 U.S.C.  
9 Sec. ~~9404(e)(3))~~ ~~9604(c)(3))~~) will exceed three million three  
10 hundred thousand dollars (\$3,300,000) in any fiscal year, the  
11 department shall report that determination to the Legislature in the  
12 Governor's Budget. If, as part of the Budget Act deliberations, the  
13 Legislature concurs with the department's determination, the  
14 Legislature shall specify in the annual Budget Act those pro rata  
15 changes to the fee rates specified in subdivision (b) that will  
16 increase revenues in the next calendar year as necessary to fund the  
17 state's increased obligations. However, the Legislature shall not  
18 specify fee rates in the annual Budget Act that increase revenues  
19 in an amount greater than eight million two hundred thousand  
20 dollars (\$8,200,000) above the revenues provided by the fee rates  
21 specified in subdivision (b). Any changes in the fee rates approved  
22 by the Legislature in the annual Budget Act pursuant to this  
23 subdivision shall have effect only on the fee payment that is due  
24 and payable by the end of February in the fiscal year for which that  
25 annual Budget Act is enacted.

26 (g) This section does not apply to ~~a nonprofit corporations~~  
27 ~~corporation~~ primarily engaged in the provision of residential  
28 social and personal care for children, the aged, and special  
29 categories of persons with some limits on their ability for self-care,  
30 as described in SIC Code 8361 of the Standard Industrial  
31 Classification (SIC) Manual published by the United States Office  
32 of Management and Budget, 1987 edition.

33 (h) *This section does not apply to a nonprofit corporation*  
34 *primarily engaged as a religious organization operated for*  
35 *worship, religious training or study, the government or*  
36 *administration of an organized religion, or for the promotion of*  
37 *religious activities, as described in SIC Code 8661 of the Standard*  
38 *Industrial Classification (SIC) Manual published by the United*  
39 *States Office of Management and Budget, 1987 edition. However,*  
40 *any other establishment maintained by a religious organization at*

- 1 *the same or other location is subject to this section, including, but*
- 2 *not limited to, an educational institution, hospital, publishing*
- 3 *house, reading room, social service, or secondhand store.*

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